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FOREIGN MINISTRY SUPPORTS DPRK TROOP WITHDRAWAL

OW290948 Beijing XINHUA in English 0939 GMT 29 Jul 87

[Text] Beijing, July 29 (XINHUA) -- China supports the proposal of phased disarmament and troop withdrawal from the Korean peninsula put forward by the Government of the Democratic People's Republic of Korea (DPRK) on July 23, said a Chinese Foreign Ministry spokesman here today.

Referring to the proposal and the DPRK Government announcement that the Korean side will unilaterally reduce its troops by 100,0000, the spokesman said "This is a constructive step taken by the Korean Government toward a relaxation of the situation on the Korean peninsula."

"This proposal, if put into practice, will surely exert a positive impact on peace in the Asia-Pacific region," he said. "We hope that the U.S. Government and the South Korean authorities will make a response to the proposal and hold serious consultations with the Korean side on the question of easing the situation on the Korean peninsula."

GUANGMING RIBAO VIEWS U.S. 'IRANGATE' TESTIMONY

HK280546 Beijing GUANGMING RIBAO in Chinese 19 Jul 87 p 3

[Article by reporter Wang Deming (3769 1795 6900) from Washington: "U.S. Political and Social Malpractices as Seen From the Irangate Incident"]

[Text] The 6 days of testimony given by North, a key figure in the "Irangate" affair and member of the White House National Security Council, to the joint special investigation committee of the Senate and House of Representatives created a great sensation in the United States. He concluded his testimony on 14 July. Following that, North's superior, Poindexter, former national security adviser and another key figure, also gave testimony for 3 days. Although the process is still going on, the high tide of the second phase of investigation is drawing to a close. The public can clearly see through their testimony and the mysterious and secretive activities of the participants of the "Irangate" affair the strange social tendencies and inside stories of U.S. political life.

It has been generally acknowledged that North was the chief instigator of the plot and also acted as a go-between. At the hearing, he frankly admitted preparing false reports, distorting the chronicle of events concerning the "Irangate" affair, and destroying a large amount of confidential documents. He asserted that "the purpose of the clandestine move was to tell lies and cheat" and he posed as "a hero" who "fulfilled his duties and bore the blame for his superior." Some newspapers commented that "North was publicizing Reagan's Central American policy rather than giving testimony to Congress." The "patriotic" craze stirred up by North in Congress maintaining that it is justifiable to subvert another country perplexed American society. Consequently, North became the man of the hour, and some people even encouraged him to run for the Presidency. It should be noted that the growing conservative trend has prevailed in American society since Reagan assumed office.

With the testimony given by North, the important role of late CIA chief Casey in the "Irangate" affair is quite obvious. In a secretly hatched plot, Casey and North attempted to use the money obtained from selling arms to Iran to establish an "independent and self-sufficient" information network free from government jurisdiction and Congressional supervision to financially support the antigovernment forces in Nicaragua. This secret shocked the Congress, the investigation committee in particular. Inouye, chairman of the special investigation committee for the Senate, said that "this is a secret government set up within our Government." Some senators regarded it as a "CIA within the CIA." Diplomatic figures here hold that the fact that Casey attempted to establish an independent "imperial government" overstepping the Government and Congress is actually a mockery of the United States which has a laudatory title of "a nation of law."

The extent of President Reagan's involvement in the "Irangate" affair has always been the focus of world attention. North testified that he never mentioned to Reagan the transfer of money obtained from selling arms to Iran to the Nicaraguan antigovernment forces and never saw any document signed by Reagan concerning the act. However, he believed that the President knew what he did and approved the act through his superior. Poindexter testified that he never reported the case to Reagan. He continued, "If I had asked the President for instructions, he would have ratified the decision." Neither of them made definite remarks on whether Reagan was informed of the act. Nonetheless, Reagan was annoyed at Poindexter's testimony, because it actually meant that Reagan agreed with the act. [paragraph continues]

At a press briefing, Baker, White House chief of staff, announced that President Reagan refused to accept Poindexter's conjecture. "If he had asked about the matter, the President would have checked the act." Newspapers here believe that Reagan's credibility has been damaged. A public opinion poll conducted by Columbia Broadcasting Company and THE NEW YORK TIMES indicated that "53 percent of the people interviewed said that Reagan was still lying on the question of transferring money obtained from selling arms to Iran to the Nigaraguan antigovernment forces."

The "Irangate" affair is a typical example of U.S. authorities abusing power to deceive Congress and hoodwink the people. In his book entitled "Arrogance of Power," Fulbright, former president of the Senate Foreign Relations Committee, criticized the organs that make and execute U.S. foreign policy. Owing to "arrogance of power," we have "lost our friendly neighbors, broken our promises to the world, and also weakened ourselves." Following North's testimony, Hamilton, chairman of the special investigation committee of the House of Representatives, pointed out: "The policy with you (North) playing the main role was driven by a series of lies. The means you have adopted have weakened our national power. We are the loser. The interests of the United States have been encroached upon." These remarks are the appropriate portrayal of the "Irangate" affair.

NEWS ANALYSIS ON U.S. INFLUENCE ON ROK GOVERNMENT

OW250528 Beijing XINHUA Domestic Service in Chinese 1459 GMT 22 Jul 87

["News Analysis: U.S. Interferences in Political Situation in South Korea by reporter Li Nengqing" -- XINHUA headline]

[Text] Beijing 22 Jul (XINHUA) -- Right now, the dispute between the ruling party and the opposition parties in South Korea has moved from the streets, where the police suppressed the demonstrators to the political rostrum for "revision of the Constitution" and the launching of an election campaign. The direct interference by the United States plays a decisive role in bringing about sudden changes in South Korea's political situation.

From the first day when the South Korean people called for efforts to "revise the Constitution" and oppose dictatorship, Chon Tu-hwan has coupled threats with promises and incited the opposition in order to stall for time and has looked for excuses to "protect the Constitution." On 8 April, the largest opposition party, the New Korea Democratic Party, split. Erroneously appraising the situation, Chon Tu-hwan, on 13 April, flagrantly stopped his talks with the opposition parties on issues regarding the "revision of the Constitution." On 10 June, he again appointed No Tae-u, chairman of the Democratic Justice Party, as his successor, trying to use a high-handed policy to continue the rule of the ruling party in the country through indirect election.

However, Chon Tu-hwan's perverse acts lifted a rock only to drop it on his own feet. From 10 June, the struggle waged by the South Korean people against the government has surged many times, and the political situation is more chaotic than ever before. Realizing that if this chaotic situation continues it will soon endanger its strategic interests, the United States had to directly interfere with this political situation.

On 18 June, a group of U.S. Democrat senators submitted to the Congress a motion on economic sanctions against South Korea, suggesting that if South Korea refuses to carry out democratic reform, the United States should cancel all loans and stop all preferential trade treatment of South Korea.

On 19 June, Reagan sent a letter to Chon Tu-hwan, asking him to immediately resume his dialogue with the opposition parties to ease tension and warning him "not to use the Army." At the same time, a responsible person of the U.S. Olympic Committee also announced that "if the internal turmoil continues in South Korea, the United States will withdraw from the 1988 Olympic Games." On 23 June, Reagan's special envoy Sigur hastily arrived in Seoul. As soon as he got off the plane he held closed-door talks with Chon Tu-hwan and clearly expressed U.S. "opposition to any interference from the military." Later, Sigur met with No Tae-u and opposition party leaders Kim Yong-sam and Kim Tae-chung in an effort to help both sides reach a compromise. On 24 June, the exploratory talks between Chon Tu-hwan and Kim Yong-sam failed. On 26 June, mass demonstrations with hundreds of thousands of participants took place simultaneously in more than 30 cities in South Korea. The anti-government movement was further escalated. On 27 June, the U.S. Senate adopted a resolution urging Chon Tu-hwan to accept the demand of the opposition parties for the democratic election of the "president." This resolution of the U.S. Congress was actually an ultimatum to Chon Tu-hwan, clearly indicating that the United States can no longer tolerate this kind of situation. This kind of strong pressure from the United States has forced Chon Tu-hwan to enter a blind alley. Drawing a lesson from Marcos' case, Chon Tu-hwan could not avoid making concessions. On 29 June, Chon Tu-hwan had No Tae-u announce the "8-point proposal" and his acceptance of the democratic procedure put forward by the opposition parties.

South Korea has always been a strategic U.S. base in the Far East. Early this year, U.S. Defense Secretary Weinberger said: "The position of South Korea has been upgraded from a principal area of concern to a decisive area of concern. The United States regards South Korea as one of the major forces in Asia to contend with the Soviet Union, therefore, it gives South Korea large amounts of military aid each year. Militarily, South Korea needs U.S. protection, while politically and economically it needs U.S. support. Therefore, whether the political situation in South Korea remains stable is something of great concern to both sides.

Post-war history indicates that the United States has always drawn South Korea to its side. Here are the facts: From 1945 to 1948, the United States replaced Japan in exercising military control over South Korea. From 1949 to 1960, the United States single-handedly manipulated the Syngman Rhee puppet regime. From 1961 to 1979, Park Chung-hui totally attached himself to the United States. After Chon Tu-hwan took office in 1980, the relations between South Korea and the United States did not change, although both sides had frequent economic conflicts and the United States repeatedly expressed dissatisfaction over Chon Tu-hwan's "power politics" and "high-handed" policy.

From this, we can see that after Chon Tu-hwan steps down in February 1988, the relations between the United States and South Korea are not expected to alter significantly no matter how often people in authority change.

RENMIN RIBAO NOTES REAGAN'S AGRICULTURAL PROPOSAL

HK241408 Beijing RENMIN RIBAO in Chinese 16 Jul 87 p 7

[Newsletter from the United States by RENMIN RIBAO reporter Jing Xianfa (2529 2009 3127): "Behind the New U.S. Proposal on Agricultural Policy"]

[Excerpts] Washington, 13 Jul -- Early this month, President Reagan put forward a new proposal to Western representatives conferring in Geneva on resolving trade disputes over agricultural products. [paragraph continues]

The proposal is to invite the major Western countries, such as Western Europe, the United States, Japan, and so on, to abolish all farm product subsidies within 10 years; before then, farm product subsidies of all the countries are to remain at the current level. The trade dispute over farm products among the Western countries has existed for a long time and many plans to resolve this problem have been proposed, but this is the first time the United States has put forward such an "ambitious proposal" to its trading partners. [passage omitted]

It is mainly based on the following consideration; that the United States, the largest farm product exporting country in the world, decided to propose to its trading partners the abolition of all subsidies. First, although the current proportion of U.S. farm product exports has declined by more than one-third compared with the 1970's U.S. farm product exports still rank first in the world. If Europe and Japan abolish their subsidies, their farm products will be hard to sell overseas. These countries might even have to import farm products. Thus, the price of major farm products such as wheat, rice, and meat will rise. The United States will gain more profits than losses. Second, last year, spending on subsidies accounted for 12 percent of the entire U.S. financial deficit. This year, the deficit has markedly decreased, but farm product subsidies have increased to 15 percent of the deficit. Therefore, abolition of subsidies will greatly help to remove the Reagan administration's headache of a large deficit. Furthermore, farm product surplus has caused the decline of farm product prices in the past 10 years. This affects the purchase and repayment capability of Third World countries, which depend mainly on farm production. This also will not benefit the United States. [passage omitted]

Farm product subsidies have long been a controversy between the United States and its trading partners in the West. This time, the United States is trying to overawe the others, but must wait until the next round of the GATT talks to see whether its trading partners will buy the idea.

JAPANESE SOCIALIST PARTY DELEGATION MEETS LEADERS

Confers With Zhu Liang

OW280359 Tokyo KYODO in English 0344 GMT 28 Jul 87

[Text] Beijing, July 28 KYODO — A senior Chinese party official has revealed China's full support of the North Korean troop reduction proposal, announced last Thursday, and repeated China's support for the idea of cosponsorship of the 1988 Olympics by North and South Korea.

The Chinese position was disclosed by Zhu Liang, head of the International Liaison Department of the Chinese Communist Party, when he met here with a visiting Japan Socialist Party [JSP] delegation, led by former JSP Secretary General Makoto Tanabe.

Zhu welcomed the North Korean proposal calling for a phased troop reduction down to less than 100,000 each in North and South Korea by 1992, saying that it would greatly help ease the tension on the Korean peninsula which is vital for China as well.

The JSP delegation arrived here Monday after visiting North Korea.

While discussing the latest South Korean situation, Zhu said the people's demand for democratization is a historical trend throughout the world which no one can stop, according to a JSP source.

Zhu also commented on the Chinese dormitory court dispute in Kyoto, stressing that the issue is not one of property but of political principle.

The Chinese side is appealing to the Japanese Supreme Court against an Osaka High Court ruling that Taiwan, and not China, has the legal right to own the dormitory.

Zhu repeated China's position that a two-China policy is unacceptable, the source said.

Li Xiannian on Kokaryo Case

OW291010 Beijing XINHUA in English 0955 GMT 29 Jul 87

[Text] Beijing, July 29 (XINHUA) — Chinese President Li Xiannian said here today that the Kokaryo case, which involves a student dormitory building in Kyoto, is not a simple issue, but one that concerns whether there is one China or "two Chinas" or "one China, one Taiwan."

"We hope the Japanese Government will handle this issue properly," he added.

Li, who is also a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, made these remarks at a meeting with a delegation of parliamentarians from the Japanese Socialist Party led by Makoto Tanabe, former secretary-general of the party and member of Japan's House of Representatives, here this morning.

Li thanked the Japanese Socialist Party and Chairwoman Takako Doyi of the party's Central Executive Committee for their contributions to the development of Sino-Japanese friendly relations.

He said that the Chinese Communist Party and the Japanese Socialist Party have made much progress in developing their relations since the two parties established ties in 1983.

He praised Doyi for her outspoken fairness on the Kokaryo case and invited her to visit China.

He noted that Sino-Japanese relations have a solid basis, adding that the two countries should continue their friendship on a long-term basis.

Tanabe replied that friendship between the Japanese Socialist Party and the Chinese Communist Party, which has been tested by history, has become closer since 1983.

He said that overall Japan-China relations are good, but some problems exist. The problems that involve principles should be dealt with in accordance with principles stipulated in the Japan-China Joint Statement and the Japan-China Peace and Friendship Treaty.

"The Kokaryo case should be handled in accordance with these principles," the Japanese statesman said.

"There is only one China and no advocacy of 'two Chinas' should be allowed," he added. "We hold that the Japanese Government should handle the case in line with such a policy."

He mentioned that the Japanese Socialist Party has been critical of the visits to the Yasukuni Jinja Shrine by senior Japanese Government officials, the history textbook issue and the increase in the Japanese defense budget.

He pledged that the Japanese Socialist Party will continue its struggle for world peace and the interests of the Japanese people.

Prior to the meeting, President Li met Japanese reporters who are traveling with the delegation and expressed his views on the Kokaryo case.

Li said the Kokaryo case concerns China's sovereignty. The Japanese Government and Prime Minister Yasuhiro Nakasone all agreed that there is only one China. However, a Japanese court's decision on the Kokaryo case is obviously a violation of the Sino-Japanese Joint Statement and Treaty of Peace and Friendship and the norms for international relations, he claimed.

The President pointed out that according to the Japanese Constitution the Japanese Government has the right to handle issues related to foreign relations. Therefore, the Japanese Government has the power to do something about the Kokaryo case.

Li said that China will say and do all things conducive to the Sino-Japanese friendship. He hoped that Japanese friends will not say and do anything harmful to that friendship.

He said that China has never done anything deplorable to the Japanese Government and people and therefore is not responsible for what has happened.

The Japanese guests arrived here July 27 at the invitation of the International Liaison Department of the Chinese Communist Party Central Committee and are scheduled to leave here for home this afternoon.

Li Plans Resignation

OW290547 Tokyo KYODO in English 0535 GMT 29 Jul 87

[Text] Beijing, July 29 KYODO — China's President Li Xiannian indicated Wednesday that he plans to step down from the Politburo "to take a back seat" in a key party congress this autumn.

Li disclosed his resignation plan in a meeting with a group of Japan Socialist Party politicians, Japanese sources traveling with the group said.

"I think I should be allowed to take a back seat in the 13th Party Congress" scheduled for this October, the 82-year-old Li was quoted as telling the Japanese visitors.

The sources said Li specifically cited his membership of both the Politburo and its more powerful Standing Committee, which he wants to relinquish during this upcoming congress.

China's supreme leader Deng Xiaoping has said on various occasions that he wants to resign from the Politburo and its Standing Committee, but it is the first time Li has made a similar statement to a foreign visitor.

Li explained he feels that China's leadership should pass to the younger generation echoing a similar view expressed by Deng.

"From now on, Chinese leaders should be in their 40s, 50s, or 60s," Li said, adding that older people are prone to become sick.

"If the leadership is in the hands of the younger people, leadership will go well," he said.

Li added, however, he is not resigning from the party altogether, noting that he is going to keep his party membership "so that I can speak out when necessary."

AQUINO DISAPPOINTED OVER U.S. LACK OF ASSISTANCE

OW282126 Beijing XINHUA in English 1731 GMT 28 Jul 87

[Text] Manila, July 28 (XINHUA) — President Corazon Aquino has expressed disappointment over what the Americans are doing about carrying out the pledge to give increased assistance to the Philippines, her spokesman Teodoro Benigno said here today.

Benigno told newsmen that the president "had been bridling quite often about the gap between what the Americans were saying in terms of very, very glowing expression as a support avalanche of praise for a government and what they were doing about carrying out the pledges to give increased assistance."

He noted that the 100 million U.S. dollars which the U.S. Government had promised in military assistance were cut to half.

Benigno also disclosed that another significant development would be the Philippine Government's position "to strengthen its position visibly in what the Americans are after in the Philippines." He did not elaborate, but presidential palace sources said a "major leverage" of the president was the bases agreement which would expire in 1991.

The sources said President Aquino was confident that she could assert her government's demand for better terms since Washington would not want the bases removed from the country.

PHILIPPINE SENATOR WANTS U.S. BASES DISMANTLED

OW271439 Beijing XINHUA in English 1403 GMT 27 Jul 87

[Text] Manila, July 27 (XINHUA) — Philippine Senator Agapito Aquino said here today that he was in favor of the dismantlement of the U.S. military bases in the Philippines. In an interview with foreign reporters after the first regular session of the senate, Aquino, brother-in-law of President Corazon Aquino, said that he had stated before that "In principle, no foreign military bases must be in our country."

But Aquino said that he would like to see an orderly dismantling arrangement which is mutually accepted by the United States and the Philippines, adding that the military bases facilities may be left here and kept intact so that "we can use [them] after their departure."

The agreement on the two U.S. military bases in the Philippines — Subic Naval Base and Clark Air Base — was signed in 1947 and is due to expire in 1991. A review on the agreement is scheduled next year.

However, Senator Aquino said, "If the presence of U.S. bases here can help solve our problems", for example, the U.S. Government will help the Philippines relieve the country's foreign debt burden and extend the terms of the payment, "we will definitely consider" the extension of the bases agreement. He hinted that the rental payments by the U.S. Government for its military facilities here could be used to pay the country's external debts. "Since economy is an immediate problem so that it is a major factor," he said.

The country's foreign debts amount to more than 27.5 billion U.S. dollars. It is reported that 40 percent of its export earnings goes to debt service payments every year.

QI'S KUWAIT VISIT, GULF SITUATION VIEWED

HK281232 Hong Kong HSIN WAN PAO in Chinese 28 Jul 87 p 2

["New Talk" column: "Kuwait Hopes China Will Mediate Between Iran and Iraq"]

[Text] Qi Huaiyuan, China's vice minister of foreign affairs, is now visiting Kuwait, a country on the Persian Gulf. This small country abounding in oil is now known to the world because its oil tankers have begun flying the U.S. flag and are being escorted by U.S. warships.

It is in the capacity of special envoy that Qi Huaiyuan is paying his visit to Kuwait. He told reporters at the airport on his arrival that the aims of his current visit are to promote closer friendship and cooperation between the two countries and to exchange views with Kuwaiti leaders on issues of common concern.

It has been learned that so far there are two matters which concern relations between the two countries. First, Chinese President Li Xiannian has sent a letter to the amir of Kuwait once again inviting him to visit China. The amir told Qi Huaiyuan that he wished to pay a visit very soon.

Another matter is Kuwait's request to China for assistance in transporting oil -- either Kuwait will hire Chinese oil tankers or Kuwaiti oil tankers will fly the Chinese flag. In response, China's initial reply was that it would like to consider the offer. Upon his arrival in Kuwait, Qi Huaiyuan stated that China was still considering this request.

In its report XINHUA News Agency did not reveal what issues are of common concern to the two countries, but reports from Kuwait said that the two sides would "discuss how to put an end to the Iran-Iraq war and how to implement the resolution recently adopted by the UN Security Council on an armistice between Iran and Iraq."

It is reported that Kuwaiti leaders told Qi Huaiyuan: "Beijing can play an active role in the international mediatory efforts to persuade Iran and Iraq to cease fire."

With the exception of China, the four other permanent members of the Security Council have taken biased stands on the Iran-Iraq war. The United States, the United Kingdom, and France have disputes with Iran, while the Soviet Union is on bad terms with Iraq because it is siding with Syria. China is the only country which has always maintained good relations with both Iran and Iraq.

Qi Huaiyuan arrived in Kuwait in the capacity of special envoy. It is said that he planned to stay there for only 2 days. It is not known whether he will return home directly or leave for another country after exchanging views with his hosts.

Some people have talked of the relations between Iran and China because of the "Silkworm" missile issue. China declared long ago that it had never sold "Silkworm" missiles to Iran. When answering questions yesterday, Qi Huaiyuan also made a special remark: If a joint operation is implemented by all countries to lay an arms embargo on Iran and Iraq after the UN proposal for cease-fire expires, China will certainly join the operation.

The deadline set by the UN for its proposal for a cease-fire will expire in one month, or one and a half months after adoption of the resolution. For this reason, Qi Huaiyuan's visit to Kuwait immediately after adoption of the resolution has drawn special attention.

So far the following points merit attention in the Persian Gulf situation. First, Iran has not fired up surface-to-ship missiles at any U.S. escort vessel in the Strait of Hormuz. Second, during the escort mission, the U.S. warships followed the Kuwaiti oil tankers flying the U.S. flag. Therefore, an oil tanker rather than a U.S. warship hit the mine. Then, who was actually escorting whom? Third, initial reports said that most of the tanks in the oil tanker which had struck the mine could still carry oil and that the tanker would sail on the return voyage by Friday; but latest reports said the actual damage was much more serious than originally expected, and the tanker could not carry oil before being repaired. And fourth, the U.S. escort fleet does not possess mine-sweeping ability. Therefore it will be hard to tell whether these ships will hit another mine, even if they really can sail on the return voyage by this coming Friday.

The U.S. operation to escort the oil tankers has been publicized for a long time. However, it led to a dilemma as soon as it was put into effect. This is yet another awkward show by the U.S. military authorities after the raid on USS Stark in the Persian Gulf which caused 37 deaths.

QI HUIYUAN DENIES ARMS SUPPLY TO IRAN

OW290800 Beijing XINHUA in English 0748 GMT 29 Jul 87

["China's Policy Towards Gulf War Explained" -- XINHUA headline]

[Text] Kuwait, July 28 (XINHUA) -- China today denied Western press reports that it is the main source of Iranian arms and says that the Chinese-made Silkworm missiles Iran is now using in the Gulf war were obtained through unknown channels.

In an interview with XINHUA Kuwaiti newspapers and other news agencies here, visiting Chinese special envoy Qi Huaiyuan said that China's policy of not supplying weapons to Iran before the end of the Iran-Iraq war will never change.

"As for the question of through what channel Iran has obtained what kind of weapons, I am not in a position to know about this issue, as the international arms market is very complicated," said Qi, who is the Chinese vice foreign minister.

"Those who claim that China is the main source of Iranian arms or supply 70 percent of the arms to Iran are obviously making a concoction out of ulterior motives."

On China's response to a Kuwaiti request to charter Chinese oil tankers or register Kuwaiti ships in China, Mr Qi said that the request is still under study. The problem is "China does not maintain a large shipping fleet and has no spare tankers to lease."

Another reason is that "China has not yet started its business to allow the registration of foreign ships in China and has no laws and regulations in this respect. If anything happens, there is no relevant rules or regulations to follow," he added.

On the issue of maintaining free navigation in Gulf waters, Mr Qi said that the issue of safe navigation in the Gulf should be solved through consultations among all Gulf countries.

"We do not agree with the military presence and involvement of the big powers in the Gulf and Gulf affairs."

However, he said, China is sympathetic with and understands Kuwait's present circumstances and the measures taken by Kuwait in safeguarding its security.

Mr Qi said that two Chinese ships have been attacked by unidentified vessels in the Gulf since last February.

As for China's position on the Iran-Iraq war, Qi said China remains neutral but not passive. "China will continue doing its utmost for an early end of the war," he said.

"The allegations that China will use its veto power in the U.N. Security Council when it discusses the Gulf war is obviously a fabrication made by some one with ulterior motive," the Chinese envoy stated.

The United Nations Security Council Resolution 589 demanding an immediate cease-fire between Iran and Iraq reflects the strong desire of the people around the world for an early end to the war, he said.

On the Afghanistan issue, Mr Qi denied rumours that Afghan resistance fighters, the Mujahedin, have set up bases in China and that China has territorial ambitions in Afghanistan. This is "sheer fabrication", he said.

"Until Soviet military withdrawal from Afghanistan, China will support politically, morally and materially the Afghan people's fight against aggression," he said.

PRC SPORTS MINISTER VISITS IRAN 21-24 JUL

OW270602 Beijing XINHUA Domestic Service in Chinese 0317 GMT 25 Jul 87

[Text] Tehran, 24 Jul (XINHUA) -- Li Menghua, minister of the State Physical Culture and Sports Commission, visited Iran 21-24 July.

During the visit, Li Menghua held talks with Iranian Deputy Prime Minister Hamid Mirzadeh and Vice Foreign Minister Javad Mansuri. A document on strengthening Sino-Iranian sports contacts was signed on 24 July.

LI XIANNIAN GREETES NEW INDIAN PRESIDENT

BK261549 Beijing in Hindi to India 1500 GMT 26 Jul 87

[Text] Chinese President Li Xiannian sent on 25 July a message of congratulations to the newly elected Indian President Ramaswamy Venkataraman. The message said:

Your Excellency: On this happy occasion of your assumption of office of the president of India, I extend to you on behalf of the Government and people of China and also on my own behalf our wholehearted greetings. We sincerely hope that Sino-Indian friendly ties will continue to expand and the traditional friendship between the peoples of the two countries will grow further.

COMMENTARY URGES PUNISHMENT FOR DAMAGING FORESTS

HK290351 Beijing RENMIN RIBAO in Chinese 20 Jul 87 p 2

["Short Commentary": "In No Way Should Timber Plunderers and Illegal Fellers Be Tolerated"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, a series of reforms have been carried out in our country's forest regions. Economy in forest regions has begun to pick up, and the livelihood of tree growers has been improved. However, in recent years, there have been cases of felling trees arbitrarily from time to time. It seems that these cases will continue to occur. We cannot turn a blind eye to this.

The policy of our country and the laws and decrees of our government have clearly pointed out the harmfulness of felling trees arbitrarily. So how is it that some people openly dare to stir up the masses to plunder and illegally fell trees belonging to the state? Looking at the case which happened in Shexian county, Anhui, perhaps we can discover some of the reasons: 1) Some local leaders of the party and government have severely neglected their duty, and completely ignored the case of plundering and illegally felling the state's trees. They have even adopted an erroneous attitude of turning a blind eye to it, or have supported and encouraged the act of plundering and felling trees arbitrarily. 2) The departments concerned are not strict enough in enforcing the law. They replace punishment with fines, and are not resolute enough in attacking the criminal elements. 3) Some local government functionaries are directly involved in the timber business, and collaborate with illegal timber traders in the society. This encourages the unhealthy trends of plundering and illegally felling trees.

The state tree farms are important forest bases for the state. They are shouldering the important task of developing reserve forest resources. Just like other institutes and units in the national economic sector, mountains and woods administered by the state tree farm brook no occupation and sabotage by units or individuals under any pretext whatsoever. Plundering and illegally felling the state's trees is a criminal act, and should be dealt with according to law. The offense should not be leniently treated. Those criminal elements who are guilty of stirring up the masses to plunder and damage forests, and harming functionaries responsible for protecting forests should be promptly and severely punished according to law. As for those leaders who neglect their duties, they must be investigated and held responsible. Otherwise, it is impossible to stop the unhealthy trends of plundering and illegally felling trees.

COMMENTATOR STRESSES STUDYING DENG'S TWO BOOKS

HK281018 Beijing GUANGMING RIBAO in Chinese 16 Jul 87 p 1

[Commentator's article: "Deepen the Study of the Two Books"]

[Text] This year, according to the arrangement by the central leadership, all localities have organized cadres to seriously study the two books -- "Adhere to the Four Cardinal Principles, Oppose Bourgeois Liberalization" and "Building Socialism with Chinese Characteristics (Enlarged Edition)" and have achieved good results in conducting education in adhering to the four cardinal principles and persevering in reform, opening up, and economic invigoration, and in helping cadres to fully and correctly understand the two basic points of the party's line since the 3d Plenary Session of the 11th CPC Central Committee. [paragraph continues]

At present, in order to further advance the reform and the building of socialism with Chinese characteristics, it is necessary to continue to organize and deepen the study of the two books.

How should we advance the study of the two books in depth?

First, we should combine the education in adhering to the four cardinal principles with the education in persevering in reform, opening up, and economic invigoration. Comrade Deng Xiaoping said: "We have reiterated many times that we will adhere to Marxism and the socialist road. However, Marxism must be integrated with China's reality, and socialism must have Chinese characteristics and be suited to China's specific conditions." (see "Building Socialism with Chinese Characteristics") This requires us to proceed from China's concrete realities, shake off the influence of outmoded conventions and concepts, and make bold explorations and innovations to seek the objective law for building socialism in China. Only by persevering in reform, opening up, and economic invigoration can we make Marxism full of vigor and vitality and build socialism with Chinese characteristics. Only thus can our socialism display its superiority and become more attractive than capitalism, and can we thoroughly overcome the influence of bourgeois liberalization. Comrade Deng Xiaoping also said: "We should integrate the universal truth of Marxism with our country's concrete reality, blaze a path of our own, and build socialism with Chinese characteristics." (Opening Speech of the 12th CPC National Congress") That is to say, our reform is self-improvement and self-development of the socialist system under the guidance of Marxism and under the leadership of the Communist Party. Only this can we realize social stability and unity, rapidly and effectively develop our country's productive forces, and build socialism.

To advance the study of the two books in depth, we must also implement the principle of combining theory with practice. The study meetings and discussions should be connected with the review of our party's experience since the 3d Plenary Session of the 11th CPC Central Committee, with the conditions of the work in each locality, department, and unit, and with the actual thinking of the cadres and the masses, so that the thinking and action of the cadres and the masses can be brought into line with the party's line since the Third Plenary Session. Questions in people's minds should be analyzed specifically in light of the concrete conditions, and then answers should be given to each of these questions. Evading the question will do no good and just make the study a sheer empty form.

In the study in the previous stage, various localities created many vivid study forms and methods. Apart from writing articles, giving lectures, and broadcasting TV and radio study programs, they also organized various study groups to encourage and help people to study by themselves, held various discussion meetings and seminars, conducted dialogues, offered consultant services, and organized social practice. All such forms and methods had a general requirement and that was to treat people equally and convince people by reasoning. In the past, due to the influence of the "leftist" guiding principle, ideological work was carried out in a simplistic way. Added to the evil consequences of the political movements, this left obstacles to today's ideological education. In view of this state of affairs, when conducting education, leading cadres and political personnel must treat people in an equal manner so as to increase people's understanding and trust. Only thus can people accept the themes in ideological education.

To make our positive education convincing among the people, in the final analysis it is necessary to raise the Marxist theoretical and policy levels of our cadres. [paragraph continues]

This year, Comrade Deng Xiaoping has made a series of explanations about: The primary stage of socialist society; the fundamental task of socialism; the superiority of the socialist system; reform and opening up; the struggle against bourgeois liberalization; and the purpose, scope, and methods of the political structural reform. His expositions represent new developments and a summary of the theory about socialism. These brilliant expositions of China's specific questions according to the basic principles of Marxism represent the development of Marxism under the new situation. When organizing the study of the two books, we should also give publicity to Comrade Deng Xiaoping's speeches this year, and Comrade Zhao Ziyang's speech at the propaganda, theoretical, journalist, and party school cadre conference, grasp the essence of these speeches, link the study to the actual work and the settlement of actual problems, and give better play to the guiding role of the study in our routine work.

The key to the effective organization of the study of the two books lies in more effective leadership. The study should be closely combined with, and better serve, routine work. Our work cannot be separated from study, and the two sides will promote each other. Some departments adopted the form of giving study courses to cadres in rotation. In these courses, the principal responsible people from the departments or units were concentrated to study together by linking the theory with their actual work, summing up their experience, and seeking ways to improve their work. This method not only organized the study, but also promoted the work. All other localities can learn from this method. In short, we must guard against formalism in our study, must link the study closely with actual work, and should create better study forms and methods so that our study will achieve actual results in speeding up the place of reform and opening up, and in advancing our modernization construction.

DENG XIAOPING SIGNS ORDER HONORING MARTYR

OW281435 Beijing XINHUA Domestic Service in Chinese 0524 GMT 28 Jul 87

[Text] Beijing, 28 Jul (XINHUA) -- Deng Xiaoping, chairman of the CPC Central Military Commission, signed an order conferring the honorary title of "model political instructor sacrificing his life for his fellow fighters" to martyr Zhang Xinkui of a certain unit at the Yunnan front.

Zhang Xinkui was a political instructor of the 2d Company of a reconnaissance team of a certain unit. He was a native of Shaanxi's Meixian County and joined the Army in 1976. On 18 March 1986, he and the company commander and members of the company carried out a combat task against the Vietnamese in which they killed 60 of the enemy and destroyed 6 pieces of the enemy's artillery. During the fighting, the company was attacked by enemy shell fire which aflamed a 2-meter high thatched shed, and the whole company was trapped in the raging fire. Fearless in the face of danger and risking his life, Zhang Xinkui rushed back and forth five times and saved five wounded fellow fighters. He died heroically when he tried once more to save another fighter.

The order of the Central Military Commission says: Comrade Zhang Xinkui had a strong sense of responsibility to fellow comrades and to the cause of the party. Before joining the Army, he had been deputy party branch secretary of a production team and the CYL branch party secretary. He was outstanding in both posts. After joining the Army, he was made a squad leader and his squad was named military technique advanced squad. When he was a platoon leader, his platoon was honored with Merit Citation Class 3. As a company leader, he brilliantly executed special training tests entrusted by the military district and carried out a desert warfare mission. [paragraph continues]

Their experience was promoted in the whole military district. In August 1985, he was promoted to section chief of the regiment's administration. He then asked to be transferred to the 8th company of the regiment and took part in combat tasks against Vietnam. He took part in 40 battles and was the first to charge and the last to retreat. He always thought about his fellow fighters and cared more about them than himself. When he died, he held tightly to wounded fighters and was carrying four submachine guns and two knapsacks for them.

The order of the Central Military Commission points out: Zhang Xinkui was a good son of the motherland, a good party member, and a good cadre of our Army. Comrades in the Army should learn from him in a practical way and carry forward his lofty thought and precious spirit in the Army.

DENG SUPPORTS COMPILATION OF MILITARY VOLUME

OW281310 Beijing XINHUA Domestic Service in Chinese 0146 GMT 28 Jul 87

[Text] Beijing, 28 Jul (XINHUA) -- On the eve of the 60th founding anniversary of the PLA, the entire "Military Volume of THE CHINA ENCYCLOPEDIA" has been published. This is the first complete military encyclopedia ever compiled in the country that gives systematic information in various military subjects.

In line with the Central Military Commission's decision, the compilation of the military volume was launched in 1981. Over 3,600 experts and cadres took part in the work. The volume covers 25 subjects including military thought, military science, Army building, military technology, military history, military geography, and military codes and rules. It contains more than 2,900 entries, totaling 3 million words.

Veteran proletarian revolutionaries and military scientists, such as Deng Xiaoping, Xu Xiangqian, Nei Rongzhen, Yang Shangkun, and the late Ye Jianying and Huang Kecheng, showed great concern and support for the compilation of the military volume. Xu Xiangqian and Nei Rongzhen reviewed some of the entries. Deng Xiaoping wrote a reply letter on the assessment of Li Mingrui, one of the leaders participating in the Zuoyoujiang uprising in Guangxi, who was framed and killed during the intensified period of the campaign to eliminate counterrevolutionaries.

PLA WIPES OUT 'LEFTISM' IN POLITICAL WORK

HK221417 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0928 GMT 26 Jul 87

[Report by Li Chun (2621 2504) and Tian Huiming (3944 1920 2494): "The Chinese Army Eliminates 'Leftism,' Does Things in a Down-to-Earth Manner"]

[Text] Beijing, 26 Jul (ZHONGGUO XINWEN SHE) -- Since Deng Xiaoping took the post of Chairman of the Central Military Commission, the Chinese Army has made great efforts to eliminate "leftist" influences in its political work and moved in the right direction, thus having effected noticeable changes.

Such views as "holding aloft," "following closely," "putting politics first" and "everything must be submitted to politics" have no longer found support and the political preaching of hollow words has been abandoned.

Political work should serve the drive for modernization of our country and Army. This aim has been explicitly defined. Militarymen of our time have won respect and trust from the people.

In January this year, the Central Military Commission adopted the "decision on the Army's political work in the new historical period." This decision is of great significance to making the Army more revolutionary, modernized and standardized, ensuring the Army has higher combat effectiveness and fulfills all tasks, and guaranteeing the Army under absolute party leadership and for the nature of belonging to the people.

Thanks to the effort to set to rights the guiding ideology of political work in the new historical period, the Chinese Army has always been at the beck and call of the CPC Central Committee and taken concerted action in the major measures of demobilizing 1 million soldiers, reforming its structure, and undergoing military training, thus achieving high unity of the whole Army.

In their speeches, senior Chinese military brass Yang Shangkun, Yang Dezhi and Yu Qiuli have repeatedly reaffirmed that the Army is giving resolute support for the state policy of carrying out reform and opening up to the outside world, and has vacated many airports, wharves and special railway lines and dispatched several tens of thousands of officers and men to different corners of the country to give active support to the country's economic construction.

In accordance with Deng Xiaoping's instruction that "our cadres and soldiers should be trained to be able to fight and build socialism," the Army has been carrying on the work of training competent people for both military and civilian service. From 1985-86 alone, 1.5 million of such type of people were trained from among officers and men and many of them have become an important force in local economic construction. Just as tens of thousands of PLA officers and men were transferred to different localities in the beginning of the 1950's to take part in the building of political power and economic construction, the current work of training dual-purpose people is of far-reaching significance too.

The political work in the historical period has been enriched. The ground force is being taught to love the beautiful rivers and mountains of the motherland, the Navy is conducting the education of "loving islands, fleets and oceans" and the Air Force is intensifying the education of "loving blue sky of the motherland and safeguarding the territory air of the motherland." All this has enabled the great majority of officers and men to have a stronger sense of pride in the Chinese nation just as a saying goes in the Chinese Army that "the motherland belongs to my heart."

Owing to the down-to-earth manner in political work, the political quality of the Chinese Army has been enhanced. This can be proved by the facts that numerous offices and men built a human body wall to stop the chest-high rapids of floods in Liaoning, valiant soldiers fought heroically in the recent raging forest fire in northeast China, and battle flags with countless shell marks are fluttering in the Laoshan forefronts of China's territory. Meanwhile, a large number of combat heroes, model workers and loving-people collectives have emerged throughout the Army.

COMMENTATOR CRITICIZES 'SPENDTHRIFT' TROOPS

HK290207 Beijing JIEFANGJUN BAO in Chinese 17 Jul 87 p 1

[Commentator's article: "Let Thrift Foster Virtues"]

[Text] In recent years, some cadres and fighters have become less enthusiastic about fighting hard in difficult circumstances and people are beginning to have a strong desire for luxury. It is very necessary to pay close attention to this problem.

The newspapers have published many stories similar to the following one: Some fighters simply spend every cent of their monthly subsidies and frequently ask their families for money and gifts. And they ask for a lot. These gifts are mostly clothes and foodstuffs. Their money is mostly spent on food, drinks, clothes, cigarettes, and cameras and film. Some troops find their uniforms too "rustic." So they spend a lot of money "buying fashionable clothes" without the slightest hesitation. Obviously, to uphold and carry forward the Army's glorious tradition of fortitude and plain living, it is necessary to cool down this "consumption fever."

There are some comrades who think that now that life has become easier, we can afford to spend money "more generously" and that "it is fashionable" to eat and drink extravagantly and who equate thrift and frugality with "stinginess" and "meanness." These people are indeed muddleheaded. Of course, thanks to the development of production and the improved living circumstances, we can now afford to eat better and to wear more beautiful clothes. Actually, the living standards in the Army are much higher now than before the 3d Plenary Session of the 11th CPC Central Committee, not to mention the war years. However, it should be obvious that the country has a large population but very meager resources and that it is still backward both economically and technologically. In addition, its national income is not very high and some rural areas still have difficulty solving the problem of food and clothing. At present, we can still ill afford to "have exquisite food" or to spend money generously. Even by the end of this century, when we should have quadrupled the gross industrial and agricultural output value and when the country should be rather well off economically, we will still have to practice economy. If one blindly goes after high consumption and spends money lavishly without taking the national conditions, the people's living standards, and one's family income into consideration, one is just trying to kill the goose that lays golden eggs. Under the present circumstances, it is absolutely not "fashionable" to eat and drink extravagantly or to spend money lavishly and wastefully. This is simply the style of a spendthrift. It is a glorious and yet formidable task to bring about the four modernizations and to modernize the Army. The times require us, not to seek pleasure and comfort or to indulge ourselves in the consumption "vogue," but to fight hard, to try resolutely to overcome our difficulties, and to strive to contribute more to making the country prosperous and the Army strong.

Some fighters say: The money and gifts my family sends me are a token of my parents' love for me. True, everybody loves their children. However, "given a bowl of rice or porridge, one should realize that nothing is come by easily and, given a piece of thread, one should realize that things do not exist in abundance." Does it ever cross the minds of these comrades that their parents earn their money by working very hard and that they should be ashamed of unabashedly spending their parents' hard-earned money and continuing to ask for it for fear that they might not be able to spend money as freely as others, although they know that their families are quite hard up? [paragraph continues]

Parents always try their best to provide for those of their children who are far away from home. Thus, we should, as children of our parents, be considerate of our parents and cultivate the fine character of one who is frugal and who can always bear hardships. Since we are all properly provided for by our units, we should not find it difficult to do this.

It should be especially obvious that ideologically, fortitude and a simple living style can help us temper our wills, make our cause a success, and achieve our lofty goals. According to the ancients, "the purpose of leading a simple existence is to cultivate virtues and only plain living can effectively indicate man's true ambitions." A simple living style and a disposition to fight hard under difficult circumstances can help us cultivate an unflinching spirit and overcome difficulties. This unflinching spirit is a must if we want to do anything successfully. Is there a single successful person who has a lot from life and who does not work very hard? "A man earns his reputation by leading a simple existence, extravagance can only ruin him." There have been countless examples of this since time immemorial. More than anyone else, a revolutionary fighter is frequently called upon to go to the battlefield to defend his motherland and to perform difficult and formidable tasks. Thus, he should be able not only to bear ordinary hardships but also to survive in very difficult circumstances even if he has no food to eat. To be able to do this, he must try to cultivate an unflinching fighting spirit in normal times. If our fighters do not lead a simple existence and do not fight hard but blindly ask for high living standards and are much "pampered," how can they stand the test of difficulties and hardships? Thus, whether one wants to be a qualified fighter or to achieve something elsewhere, one must first regard thrift and fortitude as something honorable and beautiful, immerse oneself in studies, training, and one's work, and never allow one's youthful vigor to be sapped by material comfort and pleasure.

Our Army is well-known for its fortitude and frugality. Hardships always go with soldiering. Leaders at all levels and, in particular, grass-root cadres, should, in addition to caring for the troops, boldly and righteously give them an education in the glorious Army tradition of fighting hard, working hard, and leading a thrifty and simple life, help them acquire a correct idea of consumption, and gradually try to cultivate in them a spirit of bearing hardships and putting up with hard work. It is necessary to strengthen administration, to strictly enforce rules and regulations, and to restrict and forbid whatever should be restricted and forbidden, so as to keep the troops united and under centralized command and to keep up their excellent spiritual qualities. Given serious education, strict administration, and the exemplary deeds of our cadres, the Army's glorious tradition of fighting hard, working hard, and leading a thrifty and simple life will pass from one generation to another and be widely honored.

YU QIULI AT COMMENDATION OF BEIJING PLA UNITS

OW290001 Beijing XINHUA Domestic Service in Chinese 1132 GMT 28 Jul 87

[By reporter Xu Xiaoping]

[Text] Beijing, 28 Jul (XINHUA) — At a meeting they cosponsored, Beijing and the PLA General Political Department recently commended 234 advanced collectives and individuals of PLA units stationed in Beijing in recognition of their outstanding work in assisting people in Beijing to promote socialist ethics.

Yu Quili, director of the General Political Department, addressed the meeting and congratulated those who were commended. Zhu Yunqian, Zhao Nanqi, Chen Xitong, and other leading members of various headquarters under the military commission PLA units stationed in Beijing, central state organs, and Beijing Municipality were present at the meeting.

Speaking at the meeting, a leading comrade of Beijing praised PLA units and armed police forces in Beijing for their contributions to Beijing's material and spiritual construction. He said their assistance can be observed in these three areas: 1) They have enlivened and enriched the activities of promoting socialist ethics in colleges, secondary and primary schools; 2) They have energetically assisted in the maintenance of public order and security in the capital as well as in its beautification and afforestation; and 3) They have actively assisted over 860 municipal projects, transferred 149 technical skills to rural areas, helped set up 45 enterprises, and helped 2,228 impoverished villages become affluent.

GU MU INSTRUCTS ON HENAN TOURISM DEVELOPMENT

HK260633 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 24 Jul 87

[Experts] From 18 to 23 July, State Councillor Gu Mu repeatedly stressed during an inspection of the exploitation and protection of Henan's tourism resources that although the province has abundant tourism resources, it is imperative to strengthen the work of protection of these resources due to the lack of sufficient capability for exploiting them. Tourism should be developed to focus on key points, on the basis of doing a good job in protection and in planning.

Accompanied by Henan Vice Governor Zhao Zhengfu and responsible comrades concerned, Comrade Gu Mu visited Dengfeng, Luoyang, Kaifeng, and Zhengzhou to inspect in detail the situation regarding the exploitation and preservation of cultural relics and historic and scenic spots. After viewing various sites in Dengfeng, including the Shaolin Monastery. He said: The tourism resources here are very abundant, and the development potential is very great. In particular, the Shaolin Monastery is a great attraction for tourists from home and overseas. It is essential to do a good job in building up a complete set of facilities here. [passage omitted]

Gu Mu pointed out: In building up a tourist area in the central plain, we cannot do everything on an excessive scale and accomplish the task all at once, since there are difficulties in finances, talent, technology, and so on. We must carry out the work by focusing on key points, and do a good job in improving the existing tourist spots. We should meet the needs of domestic tourists and also satisfy the requirements of the new situation of the ever-growing number of tourists from overseas. [passage omitted]

ULANHU, TIAN JIYUN VIEW LIGHT INDUSTRY EXHIBIT

OW260951 Beijing Domestic Service in Mandarin 2130 GMT 22 Jul 87

[Text] More than 400 electronic, textile, and other light industrial products from Qindao City were on display at an exhibition in Beijing yesterday. In fact, the exhibition laterally reflects Qindao's success in implementing the party's policy of reform, opening up, and economic invigoration. Ulanhu, Tian Jiyun, and other leading comrades viewed the exhibition before it was opened to the public.

CENTRAL LEADERS LEAVE FOR NEI MONGGOL CELEBRATIONS

OW281210 Beijing XINHUA in English 1142 GMT 28 Jul 87

["Central Delegation Leaves for Inner Mongolia" -- XINHUA headline]

[Text] Beijing, July 28 (XINHUA) -- A central delegation led by Ulanhu, vice-president of the People's Republic, left here by train this evening for Hohhot to take part in celebrations marking the 40th anniversary of the founding of the Inner Mongolia Autonomous Region. Celebration activities will take place in Hohhot, capital of the autonomous region, on August 1.

Eighty-one-year-old Ulanhu is a famous Mongolian revolutionary who worked in Inner Mongolia for many years. He was first secretary of the regional committee of the Chinese Communist Party (CPC) and chairman of the regional government and commander and political commissar of the Inner Mongolia Military Area.

The deputy leader of the delegation is Xi Zhongxun, member of the Political Bureau of the CPC Central Committee. Other members of the delegation are Qin Jiwei, alternate member of the Political Bureau of the CPC Central Committee and commander of the Beijing Military Area; Yang Jengren, Burhan Shahidi, and Fei Xiaotong, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference; Ismail Amat, minister in charge of the State Nationalities Affairs Commission; Yan Mingfu, head of the United Front Work Department of the CPC Central Committee; and Li Gui, vice-chairman of the nationalities committee of the National People's Congress.

Among those seeing the delegation off at the Beijing railway station were party, state and Army leaders including Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the general political department of the Chinese People's Liberation Army.

An art troupe, as part of the delegation, left for Inner Mongolia last week.

ECONOMIST VIEWS BREAKTHROUGHS IN ECONOMIC THEORY

HK280345 Beijing RENMIN RIBAO in Chinese 20 Jul 87 p 2

["Dialogue on Economic Life" column by reporter Dong Huanliang (5516 3562 0081): "Economist Liu Guoguang Interviewed on Major Breakthrough in Economic Theories During Reform Over the Past 8 Years" -- capitalized passages published in boldface]

[Text] What breakthroughs has China made in economic theories since the reform of the economic structure? What new economic theories are demanded by the practice of reform?

This reporter had an interview with Liu Guoguang, noted economist and vice president of the Chinese Academy of Social Sciences, a few days ago. This old professor who graduated from the Faculty of Economics of Southwest United University in the 1940s and who studied Marxist economic management for 4 years in the Moscow College of Economics in the 1950s spoke with fervor and assurance.

Liu Guoguang: IT IS AN IMPORTANT THEORETICAL DEVELOPMENT TO CONFIRM THAT CHINA IS STILL AT THE INITIAL STAGE OF SOCIALISM.

Dong: I remember during the "Great Leap Forward" in 1958, a number of people got carried away, believing that the victory of socialist construction and transition to communism were in sight. Some people even raised the slogans of "rushing towards communism" and "entering the stage of communism in advance." These slogans were corrected after the 3d Plenary Session of the 11th CPC Central Committee.

Liu: The slogans prior to the 3d Plenary Session of the 11th CPC Central Committee, which did not conform to the nature and level of China's productive forces at that time, artificially lowered the standard of socialism and communism. Such a contradiction between theory and reality puzzled the people and made China's economy suffer for a long time. In light of the development level of China's social and productive forces, the growth and perfection of economic and political structures, and level of people's consumption, we followed the example of Lenin, brought theory down from "heaven" to earth, and realistically confirmed that China is still at the "initial stage of socialism." As a result, we have fundamentally extricated ourselves from the unrealistic slogans.

Dong: The current formulation has summarized China's most important national conditions at the present stage. It is the basic starting point for building socialism with Chinese characteristics. It is also a theoretical key to understanding the reform of the economic structure.

Liu: That is true. In addition, prior to the 3d Plenary Session of the 11th CPC Central Committee, we regarded the highly centralized planned economic pattern of the Soviet Union that took shape in the 1930s as the only pattern for socialist economy. FOLLOWING THE 3D PLENARY SESSION OF THE 11TH CPC CENTRAL COMMITTEE, WE REALIZED THAT VARIOUS PATTERNS COULD BE APPLIED TO DEVELOP SOCIALISM THAT PROVIDED THE THEORETICAL PREREQUISITE FOR US TO PROCEED FROM PRACTICE, REFORM CHINA'S ECONOMIC STRUCTURE, AND BUILD SOCIALISM WITH CHINESE CHARACTERISTICS. THIS WAS ANOTHER MAJOR BREAKTHROUGH IN ECONOMIC THEORIES.

Dong: With regard to the so-called "socialist principles" prevailing in the past, which of them did not have the innate nature of socialism but were artificially attached to socialism?

Liu: Overcentralized management over the economy, egalitarianism in distribution, regarding industry as superior to commerce, and rejecting commodity and monetary relations are all examples of things attached to socialism. To build socialism with Chinese characteristics in light of our national conditions, it is necessary to explore and establish a target pattern which includes an ownership setup with various economic sectors, a multi-level economic decision structure, a regulating system which combines planning with the market, and an economic management structure that can meet the objective needs of mass production.

Dong: It is said that the ownership setup has been readjusted according to the development level of our productive forces during the 8 years of reform. The proportion of the public, collective, and individual sectors in China's industry has changed from 80 percent, 19.8 percent, and 0.2 percent respectively in 1978 to 69 percent, 29 percent, and 2 percent respectively in 1980. Is this readjustment related to the breakthrough in economic theories?

Liu: ON THE BASIS OF CLEARLY UNDERSTANDING THAT CHINA IS STILL AT THE INITIAL STAGE OF SOCIALISM, WE HAVE CORRECTED THE VIEWS THAT HOLD THAT SOCIALISM IS SYNONYMOUS WITH BEING LARGE IN SIZE AND HAVING A HIGH DEGREE OF PUBLIC OWNERSHIP. THIS IS THE THIRD THEORETICAL BREAKTHROUGH. In the past, the premature transition to a higher form of ownership on the basis of the low level of productive forces resulted in poor efficiency and extravagance. The pet phrase "there is a 'Jia Na Da' (Canada) in America and a 'da jia na' (everybody takes) in China" prevailing among the masses vividly indicated the harm of the premature transition. In the course of reform, the theoretical circles broke with the outdated view that insisted on a unitary economic form and realized that on the premise of the predominance of public ownership, the existence of diversified economic sectors and operation methods should be allowed and the development of the collective and private sectors, Sino-foreign joint ventures, and wholly-owned foreign enterprises to varying degrees should be allowed and encouraged.

Dong: In economic theories, apart from the things rigidly attached to socialism, were the things that actually did not belong to capitalism regarded as "patents" of capitalism?

Liu: Yes. In the past, separation of ownership from the right of operation was regarded as a private economic phenomenon. The two should be integrated in a socialist economy. The reason is: If a certain group or individual has the right of operation, it will inevitably weaken public ownership of the means of production. Under this theory, state enterprises are operated by the state, while collective enterprises are operated by the collective units. This traditional pattern which has been practiced for 30 years has become an "unalterable principle" shackling the minds of many people. The rural reform first smashed the shackles which merged ownership with the right of operation. With collective ownership of land and basic means of production remaining unchanged, the system of contracted responsibility with payment linked to output gave the peasants the right of operation. As a result, agricultural production doubled and redoubled within a short period. Similarly, the principle of separating ownership from the right of operation is also applicable to urban reform. Leasing, contracting, and enterprises investing in each other are all forms that separate ownership from the right of operation which can be adopted by both capitalism and socialism. THE FOURTH THEORETICAL BREAKTHROUGH CONFIRMS THAT OWNERSHIP CAN BE SEPARATED FROM THE RIGHT OF OPERATION IN A SOCIALIST ECONOMY.

Dong: As far as I know, the theories in the past rejected commodity economy and believed that it was a negative and alien force during the period of socialism which should be strictly limited.

Liu: A commodity economy is an economic phenomenon common in any society where there are division of labor in society and differences in benefits. It is not an exclusive "patent" of capitalism. IN ACCORDANCE WITH THE "DECISION ON REFORM OF THE ECONOMIC STRUCTURE" ADOPTED BY THE 3D PLENARY SESSION OF THE 12TH CPC CENTRAL COMMITTEE, WE BROKE WITH THE VIEWS WHICH SET SOCIALIST PLANNED ECONOMY AGAINST A COMMODITY ECONOMY AND REALIZED THAT A SOCIALIST PLANNED ECONOMY IS A PLANNED COMMODITY ECONOMY BASED ON PUBLIC OWNERSHIP. THIS TARGET PATTERN WHICH INVOLVES THE REFORM OF THE ECONOMIC STRUCTURE AS A WHOLE IS THE FIFTH BREAKTHROUGH IN ECONOMIC THEORIES AND THE MOST IMPORTANT ONE OVER THE PAST 8 YEARS.

Dong: Believing that planning is mandatory rather than forecast and proposal, traditional theory maintained the "theory of rejecting market -- planning." While developing a planned commodity economy, what is the difference between our understanding of planning and the views of the past?

Liu: In the past, we regarded mandatory planning as the hallmark indicating the existence of a socialist planned economy and even believed that planned mechanism was incompatible with market mechanism. NOW WE HAVE COME TO REALIZE THAT IT IS NECESSARY TO INTEGRATE PLANNED REGULATION WITH MARKET REGULATION RATHER THAN MERELY RELY ON PLANNED REGULATION FOR OPERATION IN A SOCIALIST ECONOMY. IN MANAGEMENT OVER PLANNING, WE SHOULD GRADUALLY REDUCE THE SCOPE OF MANDATORY PLANNING AND PRACTICE A MANAGEMENT SYSTEM BASED ON GUIDANCE PLANNING WHICH IS CLOSELY RELATED TO MARKET MECHANISM. THIS IS THE SIXTH BREAKTHROUGH.

It was generally acknowledged in the past that the socialist market was limited to the market for consumer goods. The means of production were not regarded as commodities. Consequently, they were not allowed to enter the market. In addition, the production factors including capital, labor, and technology were also excluded. THE DEVELOPMENT FROM MERELY ACKNOWLEDGING THE UNITARY MARKET FOR CONSUMER GOODS TO CONFIRMING THE PERFECTION OF A SOCIALIST MARKET SYSTEM CONSTITUTES THE SEVENTH BREAKTHROUGH IN ECONOMIC THEORIES.

Dong: A Hungarian economist vividly pointed out that pricing reform in a socialist country is like a ship passing through the "mysterious Bermuda triangle."

Liu: Yes, we courageously accepted the challenge. IN THE THEORY OF PRICING, WE ELIMINATED THE TRADITIONAL VIEW THAT REGARDED PRICING MERELY AS A MEANS OF CALCULATION AND REDISTRIBUTION AND FOSTERED THE NEW IDEA OF PRICING AS AN IMPORTANT LEVER FOR ECONOMIC READJUSTMENT; WE ELIMINATED THE TRADITIONAL VIEW WHICH REGARDED STABILITY OF PRICES AS KEEPING THE PRICES FIXED AND FOSTERED THE NEW IDEA OF INTEGRATING STABLE PRICES WITH FLEXIBLE READJUSTMENT; WE ELIMINATED THE OUTMODED VIEW OF THE STATE FIXING AND READJUSTING PRICES AND FOSTERED THE NEW IDEA OF COMBINING READJUSTMENT WITH RELAXATION AND GRADUALLY EXPANDING THE MECHANISM OF MARKET PRICES. THIS IS THE EIGHTH BREAKTHROUGH.

IN THE 8 YEARS OF REFORM, THE FIRST BREAKTHROUGH IN ECONOMIC THEORIES WAS EGALITARIANISM IN THE FIELD OF INCOME DISTRIBUTION. WE EMPHASIZED DISTRIBUTION ACCORDING TO WORK FIRST AND THEN ENCOURAGED SOME REGIONS, ENTERPRISES, AND LABORERS TO BECOME WELL OFF AHEAD OF OTHERS SO AS TO ATTRACT AND BRING ALONG THE MAJORITY OF THE PEOPLE TO THE ROAD TO COMMON PROSPERITY. TO ATTAIN THIS GOAL, WE GRADUALLY ESTABLISHED THE VIEW OF COEXISTENCE OF VARIOUS DISTRIBUTION METHODS BASED ON DISTRIBUTION ACCORDING TO WORK UNDER A COMMODITY ECONOMY.

Dong: This is the ninth breakthrough.

Liu: THE TENTH BREAKTHROUGH IS RELATED TO THE FUNCTIONS OF THE STATE. WE ELIMINATED THE VIEW WHICH MINGLED THE FUNCTIONS OF THE STATE AS A GOVERNMENT BODY AND OWNER OF PUBLIC PROPERTY, AND REALIZED THAT THESE FUNCTIONS OF THE STATE SHOULD BE SEPARATED. Ours is a socialist country. The state has a dual status: As a government, it represents the administrative power of the state; and as owner of public property, it represents certain economic power. Based on such an understanding, we put forward the tentative idea of "separating the functions of the state and letting taxes and profits flow through different channels" for the reform of the comprehensive management system.

Dong: Over the past 8 years, China's economy has gradually changed from a closed to an open type economy. According to statistics, we have attracted over 128 billion yuan of foreign investment and imported more than 14,000 items of advanced technology and equipment. [paragraph continues]

All this played an important role in providing the funds and technology badly needed by the four modernizations. Would you please say something about the relations between the practice of opening up and the breakthroughs in economic theories?

Liu: THE ELEVENTH BREAKTHROUGH IN ECONOMIC THEORIES IS THAT WE ELIMINATED THE VIEW OF PUTTING UNDUE STRESS ON SELF-RELIANCE WHICH LED TO A CLOSED POLICY, AND CALLED FOR OPENING UP TO THE OUTSIDE WORLD, IMPORTING FOREIGN INVESTMENT AND ADVANCED TECHNOLOGY IN A PLANNED MANNER, VIGOROUSLY DEVELOPING FOREIGN TRADE, BRINGING CHINA'S ECONOMY INTO LINE WITH THE SYSTEM OF DIVISION OF WORLD ECONOMY, AND ACCELERATING THE PACE OF NATIONAL ECONOMIC CONSTRUCTION. Without doing this, it would be impossible for us to meet the challenge of the new technological revolution and build China into a powerful socialist country with modern industry, agriculture, national defense, and science and technology.

Dong: You have already explained the breakthroughs in 11 aspects in economic theories. Viewed from the current situation, however, there is still a question of theory lagging behind the practice of reform. In addition, there are many controversies that remain to be clarified and breakthroughs are yet to be made in a number of difficult points.

Liu: There are many problems to be explored. Here I would also like to list 11 topics for further study.

1. THE QUALITATIVE CHARACTERISTICS AT THE INITIAL STAGE OF SOCIALISM WHICH ARE DIFFERENT FROM THOSE AT A HIGHER STAGE;
2. THE RELATIONS BETWEEN PLANNING AND MARKET AND THE WAY OF COMBINING THEM IN A PLANNED COMMODITY ECONOMIC PATTERN;
3. MAKE A COMPARISON OF VARIOUS FORMS (SUBSTITUTING TAX PAYMENT FOR DELIVERY OF PROFITS, LEASING, CONTRACT, AND JOINT STOCK SYSTEM) OF SEPARATING OWNERSHIP FROM THE RIGHT OF OPERATION IN A STATE ECONOMY;
4. CONDUCT A STUDY OF THE COOPERATIVE, INDIVIDUAL, AND PRIVATE ECONOMIC SECTORS;
5. THE RELATIONS BETWEEN REFORM OF OWNERSHIP AND REFORM OF ECONOMIC OPERATION MECHANISM AND THE RELATIONS BETWEEN ENTERPRISE REFORM AND PRICING REFORM;
6. A STUDY OF FURTHER ESTABLISHMENT AND PERFECTION OF A MARKET SYSTEM;
7. A STUDY OF THE DOUBLE TRACK SYSTEM IN PRICING REFORM;
8. THE RELATIONS BETWEEN ECONOMIC REFORM AND ECONOMIC DEVELOPMENT AND THE ENVIRONMENT FOR REFORM;
9. HOW TO GET INFLATION UNDER CONTROL DURING THE REFORM;
10. RATIONALLY WIDEN THE GAP OF INCOME, OVERCOME EGALITARIANISM, AND ERADICATE THE IRRATIONAL PROBLEMS ARISING FROM INCOME GAPS; AND
11. HOW TO SCIENTIFICALLY DEFINE THE MANAGEMENT FUNCTIONS OF THE GOVERNMENT AT ALL LEVELS OVER THE ECONOMY.

Deng Xiaoping pointed out recently that "reform and opening up should proceed more boldly." Similarly, the economic theoretical circles can make greater contributions to reform only by further emancipating their minds and making bold explorations.

COMMENTATOR DISCUSSES DEVELOPING ENTERPRISE GROUPS

HK281503 Beijing RENMIN RIBAO in Chinese 21 Jul 87 p 2

[Commentator's article: "A New Army for Promoting the Development of Social Productive Forces"]

[Text] In recent years, the term "enterprise group" has gradually become more popular in economic circles. In all parts of the country, especially in large and medium-sized cities, enterprise groups have emerged one after another, and formed a new and noticeable force in the economy.

Enterprise groups are products of the in-depth development of economic structural reform. With the adoption of the factory director responsibility system and the expansion of enterprise decisionmaking powers, enterprises have gained internal motive force and have been subject to external pressure, and they generally hope to break through the old closed operation pattern with "big and comprehensive" or "small and comprehensive" production structures, and to develop their production according to the law of the commodity economy and socialized mass production. The emergence of enterprise groups reflects this general tendency. The State Council has taken the development of enterprise groups as a major part of the in-depth reform, and this is completely a realistic decision.

The emergence of enterprise groups is favorable to the development of the social productive forces in our country. As compared with other forms of lateral economic association between enterprises, enterprise groups represent a higher-level and larger-scale economic association which has a stronger rallying force. In an enterprise group, not only the production of enterprises is linked to each other, but their marketing, research, and support services are also coordinated and integrated. Thus, they can achieve the best results in the use of funds, technologies, equipment, materials, manpower, plants, land, and information through reasonable distribution and efficient arrangements. Therefore, the production capacity of an enterprise group is not the simple sum of the capacity of the individual enterprises; instead, the enterprise group concentrates all the advantages of the individual enterprises to form a "combination of forces" which has greater strength. In many cases, research results can be rapidly applied to production and form new productive capacity without additional investment, and this increases the proportion of quality production on the markets and speeds up the development of new products.

Enterprise groups can break through the old structure in which economic activities of different trades and localities are separated, and can effectively move funds, materials, and technologies horizontally inside the groups. Thus, they can make the socioeconomic structure and the enterprise organizational structure more reasonable, and can promote the development of the capital goods market, the funds market, and the technology market. For example, in the textile industry, enterprise groups which include textile mills, printing and dyeing mills, and other factories related to garment production and export-purposed enterprise groups have been formed, and they have been playing an important role in speeding up the strategic shift of the textile industry and in improving the wearing quality of our people.

After enterprises are organized in an enterprise group, their individual and scattered strength is relatively concentrated, and thus they can enhance their overall consciousness in the business competition on markets and reduce their blindness. At the same time, this will also make it more convenient for the government to contact the enterprises and use economic and legal means to conduct indirect management.

The purpose of reform is to emancipate social productive forces. Since the forming of enterprise groups is favorable to the development of social productive forces, they should certainly be welcomed by all parts of society. At present, however, the development of enterprise groups has encountered some obstacles: Some localities and departments still impose high targets of output value and profits on the individual enterprises in the enterprise groups, thus restraining the enterprise groups from rationalizing their internal production structure; and some localities even deprive the enterprises which have joined transregional enterprise groups of their right to get bank loans. Although it is hard to avoid such problems in the course of transition from the old management structure to a new one, our local and departmental leaders should still have a long-term and overall viewpoint and should not just stick to their immediate partial interests without regarding the long-term and overall interests of the development of the entire social productive forces. They should adopt a positive attitude by carrying out other corresponding reforms in the management system according to the new situation in which enterprise groups have been emerging one after another. The Ministry of Textile Industry now regards the organization and development of enterprise groups as a conjugate part of overall economic control and enterprise invigoration and a conjugate part of the state's power devolution and the expansion of enterprise decision-making power, and takes the improvement of the management of the enterprise groups as a practical opportunity for changing the functions of the government and perfecting the economic management system. This attitude is certainly correct.

COMMENTATOR URGES CONTROLLING INVESTMENT SCALE

HK281351 Beijing JINGJI RIBAO in Chinese 6 Jul 87 p 1

[Commentator's article: "Control The Scale Of Investment, Guide The Direction Of Investment"]

[Text] Since October 1983, the state has been levying construction taxes. The levying of construction taxes has played a positive role in controlling the scale of the investment in fixed assets and has helped gather funds to support the key construction projects stipulated in the state plan. However, some problems have emerged in the work of levying construction taxes over the past few years. The emergence of these problems has proved that the original method of levying construction taxes does not conform with the demands of the state's macroscopic control over investment with self-raised funds in capital construction. Recently, on the basis of summing up past experiences and taking into consideration existing problems, the State Council formulated the "The Provisional Regulations Concerning Construction Taxes of the People's Republic of China." The "Provisional Regulations Concerning Construction Taxes of the People's Republic of China" began to be implemented on 1 July of this year. The implementation of the new regulations will certainly play an important role in reducing the excessive scale of investment, controlling the scale of extra-budgetary investment in the fixed assets, and guiding the direction of investment.

Compared with the original method of levying the construction tax, the new regulations have an outstanding characteristic. The original method of levying the construction tax was to levy the construction tax according to a unified and single tax rate, which was relatively low. Therefore, the original method of levying the construction tax could not help us to give different treatments towards the investment with self-raised funds in the capital construction according to the different sources and usages of the self-raised funds and the actual needs of the economic development of our country. What is more, the original method failed to play a role of regulation in controlling the investment with self-raised funds in the capital construction projects, the scale of which must be strictly controlled by the state. Over the past few years, although the state has adopted a series of measures to restrict the expansion of the scale of the investment in fixed assets and strengthen the macroscopical control over investment in fixed assets, because of the increase in extra-budgetary funds, the various localities, departments, and units have still been able to raise funds through various channels. Besides, because the various parts of our country have been very enthusiastic in carrying out the construction, the scale of the investment with self-raised funds in capital construction has been excessively big. As a result, a lot of new construction projects, especially the non-production projects, such as the residential buildings, guest houses, living and recreational facilities, and so on, have been under construction and the scale of the construction has gotten seriously out of control. This situation has not only had an impact on the market of the means of production and the market of the raw and processed materials, caused shortages of state-controlled goods and materials, and affected the smooth construction of the key construction projects stipulated in the state plan, but has also intensified the contradiction between general supply and demand and hampered our economy's steady and coordinated development.

In the light of the problems that emerged in the process of implementing the original method of levying construction taxes, the new regulations were formulated according to the principle of giving different treatments in the light of the different situations. According to the sources and usages of the self-raised funds which are to be used as the investment in capital construction, the new regulations have provided different tax rates by turning the original single 10 percent tax rate into the 10 percent, 20 percent, and 30 percent tax rates. Thus, a relatively low tax rate is applied to the budgetary investment with self-raised funds in the capital construction while a relatively high tax rate is applied to the extra-budgetary non-production construction projects, such as guest houses (including tourist guest houses), hostels, sanatoriums, meeting halls, office buildings, exhibition halls, and so on, whose scale of investment must be strictly controlled.

The new regulations reiterated that the construction tax is mainly levied on the capital construction projects which are built with the extra-budgetary funds, the local, financial strength kept in reserve, the bank loans, the various types of funds raised by the enterprises and undertakings. The construction tax will not be levied on the state investment in the capital construction projects stipulated in the state plan. Thus it is clear that the new regulations are aimed at controlling and guiding the scale and usage of the investment with self-raised funds in the capital construction so as to guarantee the construction of the key construction projects stipulated in the state plan.

The improvement of the method of levying construction taxes and the implementation of a variety of tax rates have inevitably touched upon the interests of a large number of departments and units.

Therefore, all the areas, departments, and units should take into consideration our country's overall situation, subordinate their partial and local interests to the interests of the whole country, strictly control the scale of investments in the fixed assets, and practically reduce the number of extra-budgetary non-production construction projects.

Tax departments throughout the country must strengthen propaganda work, clearly understand the present situation, strictly observe the new regulations, and strengthen their administration over the tax work under the unified leadership of the people's governments at various levels. The tax departments in all parts of the country must also cooperate with other relevant departments to conscientiously do well the work of levying construction taxes and make new and increased efforts to control the scale of investment in fixed assets and guarantee the steady and coordinated development of our national economy.

LI GUIXIAN SPEAKS AT FORUM OF ANHUI LEADERS

OW280531 Hefei Anhui Provincial Service in Mandarin 1100 GMT 27 Jul 87

[Excerpt] To commemorate the 60th PLA founding anniversary, the provincial party committee and government held a forum of provincial party, government, and military leaders this morning.

Responsible persons of provincial party, government, and military organizations; PLA units stationed in Anhui; military academies and schools; and Hefei City, including Li Guixian, Lu Rongjing, Meng Fulin, Wang Guangyu, Shi Junjie, Cheng Guanghua, Su Yu, Li Qingquan, Yang Yongliang, Wang Shengjun, Li Yuanxi, Qin Wei, Zhou Ayi, Sun Qinghou, Zhou Fang, Hua Zexin, Wei Jin, Shao Zunyi, Liu Yuming, and Zhou Benmo; as well as over 50 people from departments directly under the provincial government, attended the forum.

Li Guixian, secretary of the provincial party committee, presided over the meeting and spoke. He first extended his holiday greetings to all commanders and fighters of PLA units stationed in Anhui. He highly praised the provincial military district, the provincial Armed Police Corps, PLA units stationed in Anhui, and military academies and schools in Hefei for their contributions in revitalizing Anhui, building up its economy, helping the poor, combating floods, training militiamen, and building spiritual civilization. [passage omitted]

JIANGXI'S WAN SHAOFEN ATTENDS STAMP EXHIBITION

OW280517 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 27 Jul 87

[Excerpt] To celebrate the 60th anniversary of the founding of the PLA, a joint Nanchang Army-civilian postage stamp exhibition opened in the Jiangxi Provincial Exhibition Hall this morning.

Party, government, and military leaders from Jiangxi Province and Nanchang City, including Wan Shaofen, Wu Guanzhen, Wang Baotian, and Cheng Antong, attended the ribbon cutting ceremony and visited the exhibition. [passage omitted]

SHANDONG SECRETARY INSPECTS LARGE RESERVOIR

SK280458 Jinan Shandong Provincial Service in Mandarin 2200 GMT 27 Jul 87

[Excerpt] On 26 July, Liang Buting, secretary of the provincial party committee, went to the Xiashan reservoir, the largest reservoir in the province, to inspect and guide antiflood work. The Xiashan reservoir is located in the middle reaches of Wei He, where Changyi, Gaomi, Anqiu and Zhucheng Counties meet. [passage omitted]

ZHEJIANG SECRETARY ON IDEOLOGICAL, POLITICAL WORK

OW270623 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 26 Jul 87

[Excerpts] At today's meeting on doing ideological and political work in institutions of higher learning in Zhejiang, Xue Ju, secretary of the provincial CPC Committee and governor of Zhejiang, stressed: From now on, we must strengthen and reform our ideological and political work in various institutions of higher learning. This is an important aspect of strengthening the party's ideological work. We must work with one heart and one mind to push our ideological and political work in Zhejiang's institutions of higher learning to a new height.

Comrade Xue Ju pointed out: Workers and staff members in the education field must earnestly implement the line which has been in force since the 3d Plenary Session of the 11th CPC Central Committee. They must help cultivate a new generation of qualified people and train more people for building socialism with Chinese characteristics. [passage omitted]

At the meeting, Wu Minda, deputy secretary of the provincial CPC Committee and vice governor of Zhejiang, also introduced the situation in Zhejiang in developing the economy and training qualified people.

Also attending today's meeting were Luo Dong, Li Dexin and other provincial-level leaders, secretaries of party committees and presidents of various schools of higher learning, and leading comrades of the relevant department.

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REGIONAL AFFAIRS
CENTRAL-SOUTH REGION

P 1

HUNAN'S MAO ZHIYONG VISITS, COMMENDS PLA FARM

HK280143 Changsha Hunan Provincial Service in Mandarin 0000 GMT 28 Jul 87

[Excerpts] Yesterday responsible comrades of the party, government, and Army in Hunan Mao Zhiyong, Xiong Qingquan, Sun Wensheng, Jiang Jinliu, and Yang Huiquan visited the PLA farm at Nanwanhu to view the commanders and fighters laboring there. The farm cultivates some 65,000 mu of land. Last year the farm made a profit of over 1 million yuan. [passage omitted]

Mao Zhiyong, Xiong Qingquan, and the other leading comrades warmly shook hands with the commanders and fighters and commended them for their hard work. [passage omitted]

YUNNAN LEADERS ATTEND ARMY DAY GATHERING

HK290157 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 28 Jul 87

[Excerpts] On 28 July, the Yunnan provincial and Kunming city party committees and governments jointly held a forum of leading comrades of the party, government, and Army to mark the 60th anniversary of the founding of the PLA. Liu Shuji, deputy secretary of the provincial party committee, presided.

He Zhiqiang, deputy secretary of the provincial party committee and governor, made a speech. [passage omitted] He said: The PLA units stationed in Yunnan have won great merit in liberating Yunnan, defending and building the border area, fighting natural disasters, and carrying out rescue and relief work. In particular, in the counterattack in self-defense against Vietnam since 1979, with the heroic attitude of overwhelming all enemies, they have upheld the prestige of the nation and the Army and written a new page in the Army's glorious history.

In the new situation, we must further strengthen Army-government and Army-people unity, defend and consolidate the border with the PLA units stationed in Yunnan, and make still greater contributions to building a prosperous and flourishing border area.

Chengdu Military Region Commander Fu Quanyou also spoke at the meeting. [passage omitted] He said: Under the leadership of the CPC Central Committee and the Central Military Commission, the units of our military region have won great victory in the counterattack in self-defense against Vietnam, thus preserving national dignity. [passage omitted] Reviewing the history of our army, we see that we could not have won these victories without the support of the people of Yunnan. In the new situation, we must always remember the Army's program, uphold party leadership, further carry forward the revolutionary traditions, and strive for still greater success and still greater contributions in defending the border and the four modernizations drive.

The forum was attended by Pu Chaozhu, secretary of the provincial party committee; Yin Jun, secretary of the provincial Discipline Inspection Commission; Li Guiying, chairman of the provincial People's Congress Standing Committee; Liang Jia, chairman of the provincial CPPCC; and Pan Yingsheng, mayor of Kunming. Also invited to the forum were (Meng Jinxi), a responsible person of a certain group army; Wang Zuxin, commander of Yunnan Military District; Zhao Kun, political commissar of the military district; and responsible persons of PLA units in Kunming.

NEI MONGGOL SECRETARY AT VETERAN CADRES MEETING

SK280415 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 27 Jul 87

[Excerpt] Yesterday afternoon, the regional party committee and government held a meeting at the regional government auditorium to extend regards to retired veteran cadres on the occasion of the 40th founding anniversary of the Nei Monggol Autonomous Region.

Zhang Shuguang, secretary of the regional party committee, attended and addressed the meeting. Tian Congming, deputy secretary of the regional party committee, read a letter of appreciation for the retired veteran cadres throughout the region from the regional party committee and government. [passage omitted]

HEILONGJIANG'S SUN WEIBEN ATTENDS MILITARY PARADE

SK280532 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 27 Jul 87

[Excerpts] The PLA combined arms army stationed in the province held a grand military parade on 27 July. [passage omitted]

When the parade troops passed the reviewing stand, the leading comrades from the party, government, and Army organs on the stand rose to show their respect to the commanders and fighters. These comrades on the reviewing stand include Liu Jingsong, commander of the Shenyang Military Region; Liu Zhenhua, political commissar of the Shenyang Military Region; Sun Weiben, secretary of the provincial party committee; Hou Jie, governor of the province; Hu Daoquan, commander of the PLA combined arms army; and leading comrades from the party, government, and army organs.

During the military review, Liu Jingsong, commander of the Shenyang Military Region, delivered a speech before the commanders and fighters prior to the parade. [passage omitted]

JILIN'S GAO DI ATTENDS COMMENDATION MEETING

SK290247 Changchun Jilin Provincial Service in Mandarin 2100 GMT 28 Jul 87

[Excerpt] On the afternoon of 28 July, the provincial People's Government held a meeting to commend the advanced units and individuals emerging in the major sports games at home and abroad.

Liu Yunzhao presided over the meeting at which Comrade Wang Zhongyu delivered a speech. Attending the meeting were leading personnel from the provincial organs, including Gao Di, Wang Daren, He Zhukang, Wang Zhongyu, Dong Su, Luo Yuejia, and Gu Changchun. [passage omitted]

LIAONING'S QUAN SHUREN VISITS NAVAL BASE

SK270115 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 25 Jul 87

[Excerpt] On the afternoon of 25 July, leading comrades of the province and Dalian City, including Quan Shuren, secretary of the provincial party committee, Li Changchun, deputy secretary of the provincial party committee and governor; and Bi Xizhen, secretary of the Dalian City Party Committee, accompanied by Xiang Xiaoshu, commander of the Luda Garrison District; Zhao Xinyuan, political commissar; and leading comrades of the Dalian Naval Base, visited a certain signal battalion stationed in the Luda Garrison District and a certain shore artillery company of the naval base to extend regards to all commanders and fighters. [passage omitted]

CHI 29 Jul 87

REGIONAL AFFAIRS
NORTHWEST REGION

T 1

CORRECTION TO NEW XINJIANG MD COMMANDER

The following correction pertains to the brief headlined "New Xinjiang MD Commander" published in the July 23 China DAILY REPORT, page T 1, only paragraph, line one:

... Gao Huanchang [7559 3562 2490], identified... (correcting name)

same paragraph, last line:

...2088]. [Summary] [Urumqi XINJIANG... (providing processing indicator)

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DATE FILMED

30 July 1987

